

FISCAL NOTE

HB 388 - SB 778

February 24, 1997

SUMMARY OF BILL: Provides an eight percent increase in the monthly retirement allowance beginning July 1, 1997 for teachers who retired prior to January 1, 1997.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$12,842,000 Annual Amortized Cost
Increase Local Govt. Expenditures* - \$5,503,000 Annual Amortized Cost

Estimate assumes:

- Total lump sum liability to state government of \$187,000,000
- Annual amortized cost assumes a 20-year amortization of the lump sum liability
- K-12 teachers assumes a 70%-30% ratio between state and local funding

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director